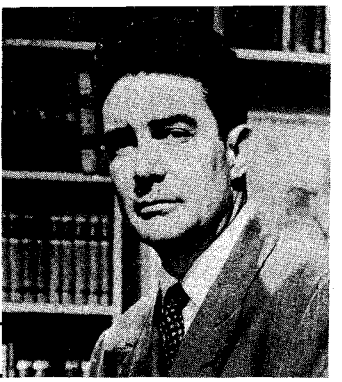
THE
Dan Smoot Report

Vol. 12, No. 9 (Broadcast 549) February 28, 1966 Dallas, Texas



DAN SMOOT

COMPOUNDING THE EVIL

President Johnson plans to convert U. S. foreign aid programs into a worldwide poverty war. In his 1966 State of the Union Message, he demanded an International Education Act, an International Health Act, an international birth control program, an international agricultural program.[1] On February 1, he asked Congress to authorize $3,385,962,000 in foreign aid, *each year for five years.*

On February 10, the President gave Congress details on his international agricultural program. He wants the *Food For Peace* program renamed *Food For Freedom.* In the Food For Peace program (begun in 1954 by Eisenhower), we have given away abroad billions of dollars' worth of our so-called surplus agricultural commodities—usually by "selling" them to recipient countries for local currencies, which have little or no value for us. Now, Johnson says it is not enough for us to give away our surpluses. He urges increased production of certain key crops (chiefly rice and soybeans) so that we will have more to give away. His aim, he says, is "a world in which no man, woman or child need suffer want of food or clothing." He predicted the world will need our aid "for many years to come." The press headlined President Johnson's February 10 message, "Johnson Proposes U. S. Feed World."[2]

That understates the case. The President plans not only to feed the world, but also to educate and medicate, clothe and renovate, the entire human race.

Promise and Performance

Nothing in our foreign aid programs is more remarkable than the propaganda which has persuaded American taxpayers to endure them.

Each foreign aid program was presented as a temporary measure; but each was supplanted by a bigger one, under a different name. First, it was United Nations Relief and Rehabilitation Administration—UNRRA, financed practically 100 percent by America—to put war-ravaged European

THE DAN SMOOT REPORT is published weekly by The Dan Smoot Report, Inc., Box 9538, Dallas, Texas 75214 (office at 6441 Gaston Ave.). Subscriptions: $18.00 for 2 years; $10.00, 1 year; $6.00, 6 months; first class, $12.50 a year; airmail, $14.50. Dan Smoot was born in Missouri, reared in Texas. With BA and MA degrees from SMU (1938 and 1940), he joined the Harvard faculty (1941) as a Teaching Fellow, doing graduate work in American civilization. From 1942 to 1951, he was an FBI agent; from 1951 to 1955, a commentator on national radio and television. In 1955, he started his present independent, free-enterprise business: publishing this REPORT and abbreviating it each week for radio and TV broadcasts available for commercial sponsorship by business firms.

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countries on the road to freedom; but UNRRA aid went to the Soviets who used it to solidify their hold on central and eastern Europe.

Shortly after V-J day in 1945, we were told that a four-billion-dollar loan to the British was the only thing needed to start Europe toward peace and recovery. The loan helped finance the labor government's socialist programs — which created a *permanent* economic crisis for Britain.

In 1947, President Truman initiated foreign aid to resist communism. Since then, our government has given to foreign nations and international organizations more than 150 billion dollars — and almost a billion people have been added to to the communist slave empire. Communism is infinitely stronger in the world — its threat to the security of the United States infinitely greater — than before our foreign-aid-to-resist-communism programs began.

During the Eisenhower administration, a favorite argument for foreign aid was that it is far cheaper to subsidize foreign nations to help defend the world than for us to defend the world directly with our own troops — that, by aiding other nations, we actually ease our own defense burden. This argument assumes that we are too weak to stand alone, but strong enough to carry the world on our backs. It overlooks the facts that:

(1) The American government has no constitutional authority to defend the rest of the world, either with American troops or with subsidized foreign troops.

(2) Money spent on retaliatory systems to *discourage* attacks against the United States and on defensive systems to *protect* us from enemy attack would provide our homeland more defense than we could buy by pouring out all of our wealth to foreign governments.

(3) Our aid to foreign nations for defense of the world *weakens* that defense, because it encourages recipient nations to put their money—and ours — into civilian spending, while we carry the load for defense.

In March, 1950, General Omar Bradley, then Chairman of the Joint Chiefs of Staff, said to a Senate Committee: "Yes, thirteen billion dollars a year is sufficient to provide security for the United States. If I recommended as much as thirty billion a year for the Armed Forces, I ought to be dismissed as Chief of Staff."[3] Since March, 1950, our government has given away abroad more than 140 billion dollars[4]—and the federal budget for national defense has risen to 61.4 billion dollars a year, more than quadrupling the maximum figure which General Bradley called sufficient in 1950. Foreign aid has not lightened the defense load for Americans.

Another argument for foreign aid is that it is a stimulant, good for our economy, because much of the tax money appropriated for foreign aid is spent in the United States to produce goods which are given away abroad. This argument (a rehash of the old new-deal-Keynesian-socialist argument that any kind of government spending which puts money in circulation is good for the economy) overlooks the facts that:

(1) *Giving* our products to foreigners reduces the possibility of *selling* them to foreigners.

(2) Government spending poured *into* our economy, for goods *taken out* of our economy, creates inflation by artificially increasing demand for goods and services, thus raising their prices.

(3) Foreign governments, relieved by our foreign aid of the necessity of spending dollars for goods, accumulate dollar holdings which they use for the purchase of gold from our monetary reserve, thus undermining the value and stability of our currency.

Another oft-used argument for foreign aid is that it creates foreign customers for us: We cannot remain prosperous if foreign nations do not buy from us; they cannot buy unless they are prosperous; our aid makes them prosperous enough to buy. This is like saying a neighborhood grocer can get rich by giving away money so that people in his neighborhood can buy more of his groceries. The argument overlooks the facts that:

(1) The tax load for foreign aid—and for other government programs—so increases the cost of production in the United States that nations which receive our *gifts* do their buying from others nations which, *because of our gifts*, have lower production costs and, therefore, lower selling prices than ours.

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(2) The prosperity of America is dependent on our great domestic market, not on foreign trade.

One argument for foreign aid is that it builds friendship abroad for the United States. Today, after 20 years of postwar foreign aid, anti-Americanism is more widespread and virulent than ever before in history. Without exception, nations where resentment of us is deep are nations which have received vast quantities of our aid: Indonesia, India, Laos, France, Japan, Yugoslavia, Hungary, Poland, Romania — to name only a few.

Humanitarianism is also used as an argument for our foreign aid. President Johnson (often mawkishly sentimental) has used the humanitarian argument more than any other President: We must not sit complacently in the lap of ease and luxury while billions starve elsewhere; we must prove to the world that we are a decent, humanitarian people willing to share with others the bountiful prosperity with which we are blessed. The argument overlooks the facts that:

(1) Prosperity is earned by a people, through hard work, ingenuity, daring—and is not conferred upon them as an unearned blessing.

(2) It is harmful, not humanitarian, for one government to give aid to another government, because such aid subsidizes the errors and bad policies of the recipient government; it artificially stimulates economic activity which does not fill the needs or desires of people in recipient countries; it tends to make recipient countries dependent on the bounty of others rather than on their own energy and effort; and it, therefore, further removes recipient countries from the possibility of developing sound, free economic systems that would create genuine prosperity.

Our foreign aid has not convinced the world that we are humanitarian. Despite the foreign wars we have fought, the hundreds of thousands of American lives we have sacrificed, and the multiplied billions of dollars we have squandered and lavished to save and uplift other nations—not one nation on earth credits us with humanitarian motives.

An argument for aid to "underdeveloped countries" is that our aid helps them develop economic, political, and social stability, thus forestalling their turning to communism.

This argument overlooks the fact that our aid to underdeveloped countries creates social unrest and economic instability by: (1) disrupting ancient economic and social patterns before new ones evolve; (2) subsidizing graft, corruption, political tyranny; (3) encouraging harmful, socialistic government spending, at the expense of sound capital investment; (4) inflating the economy with spending unrelated to national production and consumption of goods.

Some underdeveloped nations, once friendly toward us, are now friendly toward communists, *because of our aid.* Pakistan and Cambodia are examples: resentful because we have given their neighboring enemies more than we have given them, they have embraced communist China.

The Bothersome Public

The shuffling of arguments is intended to allay public opposition to foreign aid, but opposition continues to grow. Hence, there have been efforts to fasten aid upon the nation as a permanent policy, outside the realm of public discussion—to arrange the giveaway so that Congress will have no need, or opportunity, to debate and criticize foreign aid every year. Eisenhower made such an effort in 1956 when he asked Congress to authorize foreign-aid commitments for *ten years.* With no congressional debates to spark public interest and produce new information, public concern would subside and vanish. Pillage of American taxpayers for the global giveaway would then be spared the annual criticism which it now gets. Congress refused Eisenhower ten-year foreign-aid commitments, and, later, refused Kennedy multiple-year commitments. In 1966, President Johnson renews the effort, asking for a *five-year* foreign-aid authorization.

The entire foreign aid program is unconstitutional. The Tenth Amendment prohibits the federal government from activity not clearly authorized by the Constitution. No provision or

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inference in the Constitution authorizes the government to confiscate money from Americans for gifts to foreigners. The proposal for a *five-year* authorization violates a clear purpose of two positive provisions in the body of the Constitution. The Constitution requires members of the House of Representatives to stand for election every two years; and it provides that only the House can originate tax bills. A major purpose of these provisions is obvious: to give the people a chance to clean house every two years — to elect a new Congress which can, among other things, eliminate spending programs which the previous Congress authorized.

If the present Congress binds succeeding Congresses to the foreign aid spending program, as President Johnson requests, what good would it do for the people to elect congressmen who oppose foreign aid?

Stop Foreign Aid

America, with less than 6 percent of the world population, cannot possibly feed, clothe, and house the billions of people in underdeveloped countries. Many of these countries have as great an abundance of natural resources as we have. Together, they have infinitely greater natural resources. They are impoverished because their social, political, and economic systems, or the quality of their people, has kept them from developing their resources. Our effort to do for them what they have not done for themselves will harm them greatly. Among other things, it will tend to increase their starving populations.

It will also bankrupt the United States, thus eliminating the enormous contributions that America (as an example and guidepost for the rest of the world) and individual Americans (by their ingenuity, daring, and energy) have always made toward the welfare of other peoples.

This year, the people should not wait until all of President Johnson's foreign aid proposals are submitted as specific bills, ready for passage by Congress. The people should *begin now* letting all members of Congress know that the voting public wants foreign aid stopped completely—not modified, renamed, altered, re-directed, or otherwise disguised—but *eliminated.*

Please write both U. S. Senators from your state, and the U. S. Representative from your district. Address them by name, the Senators at the Senate Office Building, Washington, D. C., the Representative at the House Office Building. Say something like this:

"We Americans have been taxed for more than 20 years to aid foreign nations whose people generally resent, distrust, or despise us. Our government has no right to do this to us, but the President now asks Congress to make matters worse.

"Please fight every foreign aid proposal this year, and keep fighting until the whole program is stopped. Another name change, or a new disguise, or a redirection of foreign aid will not do. The program must be eliminated, completely."

FOOTNOTES

(1) Text of the State of the Union Message to Congress, *Congressional Record*, January 12, 1966, pp. 129-33 (daily)

(2) AP from Washington, *The Dallas Times Herald*, February 10, 1966, p. 7A; UPI from Washington, *The Dallas Morning News*, February 10, 1966, p. 2A

(3) *The People's Pottage*, by Garet Garrett, The Caxton Printers, Ltd., Caldwell, Ida., 1953, p. 143

(4) For detailed breakdown of foreign aid to individual nations, see this *Report*, "Foreign Aid Is Killing America," October 21, 1963, price 25c each, 6 for $1.00.

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